GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:401
ANSWERED ON:19.11.2007
INCENTIVES TO EXPORTERS OF TEXTILES
Bhakta Shri Manoranjan;Gaikwad Shri Eknath Mahadeo;Maharia Shri Subhash

Will the Minister of TEXTILES be pleased to state:

(a) whether the appreciation of rupee has affected the export of textiles while it has benefited the competing countries like China, Sri Lanka and Pakistan;

(b) if so, the details thereof;

(c) whether the textile exporters have demanded relief/incentives from the Union Government alongwith the reimbursement of State and local level duties which are currently not reimbursed;

(d) if so, the details thereof and the action taken by the Government in this regard; and

(e) the measures taken/proposed to be taken by the Government to provide incentives to the exporters of textiles?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN)

(a)&(b): The Government is seized of submissions by textiles and clothing export promotion councils and other associations, that the exports of textiles has been adversely affected due to the appreciation in the value of the Indian rupee vis-a-vis US dollar in the recent months. As per provisional figures released by the Directorate General Commercial Intelligence & Statistics, Kolkata for the period of April-May, 2007, India's textiles export shows a decline of over 11 % in US dollar terms compared to the corresponding period of previous year. As per the latest US Department of Commerce's import figures of textiles items, the performance of India, China, Pakistan and Sri Lanka in US markets is shown below during the period of January-August:

(Figures in million US $)

Exporting Country	2006	2007	% Growth
India	3870.8	3895.5	0.6
China	18320.5	22667.6	23.7
Pakistan	2258.9	2187.8	-3.1
Sri Lanka	1153.6	1131.0	-2.0

Source: U.S. Department of Commerce, Census Bureau

(c) to (e): To arrest the decline in the country's textiles exports, and in view of the demands of the textiles exporters, the Government has provided several relief measures, which include increase in Duty Entitlement Pass Book and Duty Drawback rates, exemption from service tax on select services, reduction in interest rates of pre-shipment and post-shipment credit and faster clearance of arrears of terminal excise duties and Central Sales Tax.